

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

LR No.: 1629-01
Bill No.: HB 655
Subject: County Collectors: Fees
Type: Original
Date: March 3, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Blind Pension	(\$1,037)	(\$1,058)	(\$1,079)
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,037)	(\$1,058)	(\$1,079)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Certain Counties	\$108,870	\$111,047	\$113,268
Local Governments	(\$108,870)	(\$111,047)	(\$113,268)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Social Services (DOSS)**, stated that as of January 2001, there were 3 second class counties, Callaway, New Madrid, and Newton. Officials stated that according to the Tax Division of the Department of Revenue, the following amounts were collected for the State's Blind Pension Fund from those counties in FY 2001.

Callaway	\$157,773	Total	\$407,114
New Madrid	\$105,866	Fee increase	x <u>.0025</u>
Newton	<u>\$143,475</u>	Loss	\$ 1,017
Total	\$407,114		

Officials estimate the following losses to the Blind Pension Fund, and assume a property tax growth of 2% annually. Officials estimate a loss of \$1,037 in FY 02; \$1,058 in FY 03; and \$1,079 in FY 04.

Officials of the **Department of Elementary and Secondary Education (DESE)** assume that there are 3 second class counties. School districts in these counties would receive a slight reduction in their property tax revenue, due to the Collector retaining one-fourth of one percent on all current collected taxes and all current delinquent taxes. Officials stated that this proposal would have no impact to the state foundation formula. The amount of loss in revenue to those schools is indeterminable and unknown.

The **Newton County Collector** stated that in 2000, as a third class county, the Collector retained approximately \$83,000 for postage, envelopes, etc. In 2001 Newton County became a second class county, and the Collector was not allowed to retain a mailing fee. The Collector estimated that this proposal would allow the county to retain approximately \$40,000 for postage, and envelopes.

Oversight assumes that all local taxing jurisdictions in second class counties, (Library Districts, Ambulance Districts, Schools, Blind Pension Fund, County General Revenue, Fire Protection Districts, Certain Cities, etc) would realize a slight reduction in revenue. Oversight assumes there would be an increase in revenue to Second Class Counties General Revenue Funds.

ASSUMPTION (continued)

Oversight assumes based on information provided by the 1999 Tax Rates of Political Subdivisions of the State of Missouri, prepared by the State Tax Commission, that the amount of loss for each affected county would be as listed below. The amounts are the total amount of taxes levied, but do not include municipalities, because some municipalities have County Collectors to collect the city's taxes while other cities do not.

	Callaway County	New Madrid	Newton
Total Collections	\$17,214,093	\$10,848,964	\$15,485,325
Collectors Fee	X <u>.0025</u>	X <u>.0025</u>	X <u>.0025</u>
Total Loss	\$ 43,035	\$ 27,122	\$ 38,713

The total collective loss of revenue for local taxing jurisdictions is \$108,870. This amount would also be the amount of income to all of the second class County's General Revenue Funds.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
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BLIND PENSION FUND

<u>Loss</u> to Department of Social Services from one fourth of one percent collection fee by Collectors .	(\$1,037)	(\$1,058)	(\$1,079)
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FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

**CERTAIN COUNTIES GENERAL
REVENUE FUND**

Income to Second Class Counties

from new Collector's Fee *

\$108,870

\$111,047

\$113,268

*** 2% annual property tax growth rate.**

ALL LOCAL GOVERNMENTS

Loss to all Local Governments in second
class counties

from new Collector's fee

(\$108,870)

(\$111,047)

(\$113,268)

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This act allows second classification counties to collect a fee of one-fourth of one percent of all current taxes collected as compensation for mailing statements and receipts. Currently only third and fourth classification counties may collect this fee.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Social Services
Department of Elementary and Secondary Education
Newton County Collector

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is stylized with a large initial "J" and a cursive script.

Jeanne Jarrett, CPA
Director
March 3, 2001